

**RAPIDES AREA PLANNING COMMISSION**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2014**

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# ROZIER, HARRINGTON & MCKAY

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December 2, 2014

### Independent Auditors' Report

To the Board of Commissioners  
Rapides Area Planning Commission

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Rapides Area Planning Commission, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**-Members-**

**American Institute of Certified Public Accountants • Society of Louisiana CPAs**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**OPINIONS**

*In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund the Rapides Area Planning Commission, as of June 30, 2014, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.*

**OTHER MATTERS**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information described in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2014, on our consideration of the Rapides Area Planning Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rapides Area Planning Commission's internal control over financial reporting and compliance.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

# **RAPIDES AREA PLANNING COMMISSION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2014**

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This section of annual financial report presents our discussion and analysis of the Planning Commission's financial performance during the fiscal year ended June 30, 2014, along with certain comparative information for the previous year.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Planning Commission's financial position and results of operations from differing perspectives which are described as follows:

#### **Government –Wide Financial Statements**

The government-wide financial statements report information about the Planning Commission as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Planning Commission's assets and all of the Planning Commission's liabilities. All of the Planning Commission's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by grants and various fees.

#### **Fund Financial Statements**

Fund financial statements provide detailed information regarding the Planning Commission's most significant activities and are not intended to provide information for the Planning Commission as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Planning Commission's funds are Governmental Funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund use a modified accrual basis of accounting that provides a short-term view of the Planning Commission's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

### **FINANCIAL ANALYSIS OF THE PLANNING COMMISSION AS A WHOLE**

A comparative analysis of the government-wide Statement of Net Position is presented as follows:

	<b>For the Year Ended June 30,</b>	
	<b>2014</b>	<b>2013</b>
<b><u>Assets:</u></b>		
Cash	\$ 335,018	\$ 329,429
Receivables	146,119	217,695
Depreciable capital assets, net	980	5,307
Total Assets	<u>482,117</u>	<u>552,431</u>

# **RAPIDES AREA PLANNING COMMISSION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2014**

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	<b>For the Year Ended June 30,</b>	
	<b>2014</b>	<b>2013</b>
<b><u>Liabilities:</u></b>		
Accounts Payable	9,311	12,661
Compensated Absences	38,145	35,013
Total Liabilities	47,456	47,674
<b><u>Net Position:</u></b>		
Invested in Capital Assets	980	5,307
Unrestricted	433,681	499,450
Total Net Position	\$ 434,661	\$ 504,757

As the presentation appearing above demonstrates, with the exception of \$980 invested in capital assets, the Planning Commission's net position is unrestricted and may be used to meet the Planning Commission's ongoing obligations.

A comparative analysis of the government-wide Statement of Activities is presented as follows:

	<b>For the Year Ended June 30,</b>	
	<b>2014</b>	<b>2013</b>
<b><u>Revenues:</u></b>		
Program Revenue:		
Charges For Services	\$ 1,437,718	\$ 1,219,944
Operating Grants and Contributions	---	161,213
Capital Grants and Contributions	---	---
General Revenue:		
Membership Dues	49,403	46,940
Other	3,437	11,983
Total Revenue	1,490,558	1,440,080
<b><u>Expenses:</u></b>		
Program Expenses:		
Metropolitan Area Transportation Planning	177,905	175,634
Transit Planning	42,150	53,748
Travel Demand Management	36,552	---
Beltway Study	76,296	---
General Planning and Code Enforcement	1,227,751	1,082,348
Total Expenses	1,560,654	1,311,730
Change in Net Position	(70,096)	128,350
Net Position Beginning	504,757	376,407
Net Position Ending	\$ 434,661	\$ 504,757

# **RAPIDES AREA PLANNING COMMISSION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

***June 30, 2014***

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As the accompanying presentation demonstrates, the Planning Commission has experienced a decrease in net position amounting to 13.9%. The primary reason for the decrease consuming a portion of the surplus earned in the previous year to enhance services.

### **FINANCIAL ANALYSIS OF THE PLANNING COMMISSION'S FUNDS**

For the year ended June 30, 2014, differences between the government-wide presentation and the fund financial statements were limited to reporting equipment, related depreciation, and the liability for compensated absences in the government-wide presentation.

### **BUDGET HIGHLIGHTS**

State law requires the general fund to have a budget. For the year ended June 30, 2014, the budget was amended to address changes in the availability of funds that were not anticipated when the original budget was prepared.

### **CAPITAL ASSET ADMINISTRATION**

For the year ended June 30, 2014, capital assets activity was limited to depreciating existing capital asset.

### **DEBT ADMINISTRATION**

For the year ended June 30, 2014, there was no debt activity and no debts are outstanding at year end.

### **FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS**

At the present time, no known issues are expected to have a significant impact on future operations.

# **Rapides Area Planning Commission**

## ***Statement of Net Position***

***June 30, 2014***

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	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$ 335,018
Receivables (net)	146,119
Capital Assets - Depreciable	<u>980</u>
 <b>Total Assets</b>	 <u>482,117</u>
 <b><u>LIABILITIES</u></b>	
Accounts Payable	9,311
Compensated Absences	<u>38,145</u>
 <b>Total Liabilities</b>	 <u>47,456</u>
 <b><u>NET POSITION</u></b>	
Invested in Capital Assets	980
Unrestricted	<u>433,681</u>
 <b>Total Net Position (deficit)</b>	 <u><u>\$ 434,661</u></u>

The accompanying notes are an integral part of the financial statements.

# **Rapides Area Planning Commission**

## **Statement of Activities**

**For the Year Ended June 30, 2014**

			Program Revenue		
		Indirect	Charges For	Operating	Capital
	Expenses	Expense	Services	Grants and	Grants and
		Allocation		Contributions	Contributions
					Net (Expenses)
					Revenue and
					Changes in
					Net Position
<u>Governmental Activities</u>					
Public Safety					
Metropolitan Area Transportation					
Planning	\$ 100,712	\$ 77,193	\$ 141,644	\$ -	\$ -
Transit Planning	23,861	18,289	36,164	-	-
Travel Demand Management	20,692	15,860	36,552	-	-
Beltway Study	43,191	33,105	61,036	-	-
General Planning and Code					
Enforcement	<u>1,372,198</u>	<u>(144,447)</u>	<u>1,162,322</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>1,560,654</u>	<u>-</u>	<u>1,437,718</u>	<u>-</u>	<u>-</u>
General Revenues					
					49,403
					3,437
					<u>52,840</u>
					(70,096)
					<u>504,757</u>
					<u>\$ 434,661</u>

The accompanying notes are an integral part of the financial statements.

# **Rapides Area Planning Commission**

## **Balance Sheet - Governmental Funds**

**June 30, 2014**

	<u>General</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 335,018
Receivables	<u>146,119</u>
<b>Total assets</b>	<u><u>\$ 481,137</u></u>
 <b>Liabilities and Fund Balance</b>	
<b><u>Liabilities</u></b>	
Accounts Payable	\$ 9,310
Other Liabilities	<u>-</u>
<b>Total liabilities</b>	<u>9,310</u>
 <b><u>Fund Balance</u></b>	
Unassigned	<u>471,827</u>
<b>Total Fund Balances</b>	<u>471,827</u>
 <b>Total Liabilities and Fund Balance</b>	<u><u>\$ 481,137</u></u>

<b>Reconciliation of Governmental Fund Balance to Net Position</b>	
Total Fund Balances - Governmental Funds	\$ 471,827
Amounts reported for governmental activities in the statement of net position are different because:	
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	(38,146)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>980</u>
Net Position of Governmental Activities	<u><u>\$ 434,661</u></u>

The accompanying notes are an integral part of the financial statements.

# **Rapides Area Planning Commission**

## ***Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds For the Year Ended June 30, 2014***

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	<u>General</u>
<b><u>Revenues:</u></b>	
Intergovernmental	
Dues	\$ 49,403
Fees and Charges for Services	
Building Code Enforcement	1,151,731
Metropolitan Planning	141,644
Transit Planning	36,164
Travel Demand Management	36,552
Beltway Study	61,036
Other Development Fees	10,592
Other	<u>3,437</u>
Total revenues	<u>1,490,559</u>
<b><u>Expenditures:</u></b>	
Current	
Metropolitan Area Transportation Planning	177,905
Transit Planning	42,150
Travel Demand Management	36,552
Beltway Study	76,296
General Planning and Code Enforcement	1,220,293
Capital Expenditures	<u>-</u>
Total expenditures	<u>1,553,196</u>
<b>Net Change in Fund Balances</b>	(62,637)
<b>Fund balance - Beginning of Year</b>	<u>534,464</u>
<b>Fund balance - End of Year</b>	<u><u>\$ 471,827</u></u>

The accompanying notes are an integral part of the financial statements.

## **Rapides Area Planning Commission**

### ***Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Year Ended June 30, 2014***

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Change in Fund Balances - Governmental Funds \$ (62,637)

Some transactions reported in the statement of activities do not require the use of current financial resources. According, a timing difference exist between when transactions affect the governmental funds and government-wide activities.

(3,132)

Capital outlays are reported in Governmental Funds as expenditures; however, in the Government-Wide Statement of Activities, the cost is reported as an asset and allocated over estimated useful lives as depreciation expense. Amounts reported as capital expenditures and depreciation expense are provided as follows:

Capital expenditures reported by Governmental Funds

-

Depreciation expense reported on a government-wide basis

(4,327)

(4,327)

Change in Net Position - Government-Wide Statement of Activities

\$ (70,096)

The accompanying notes are an integral part of the financial statements.

# **RAPIDES AREA PLANNING COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2014**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

State law allows one or more political subdivisions to establish regional planning areas. The Rapides Area Planning Commission was formed by the joint action of the Rapides Parish Police Jury and various municipalities located within the Parish. The Planning Commission is governed by a Board of Commissioners composed of representatives appointed by the participating political subdivisions. Accounting and financial reporting policies utilized by the Planning Commission are described as follows:

#### **Financial Reporting Entity**

The Planning Commission is considered a legally separate stand-alone government as defined by Governmental Accounting Standards. The reporting entity is composed of the activities that are under the direct control of the Board of Commissioners. The Planning Commission is not financially accountable for any organizations that maintain separate legal standing; therefore, it has no component units.

#### **Basic Financial Statements**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of the Planning Commission's operations as governmental activities. Governmental activities involve government services that are normally supported by fees and intergovernmental revenues.

The government-wide and fund financial statements present the Planning Commission's financial position and results of operations from differing perspectives which are described as follows:

#### **Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the Planning Commission as a whole. The effect of any interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services and most grants. Indirect expenses are allocated to programs based on detailed time and attendance record maintained by the Planning Commission's staff.

#### **Fund Financial Statements**

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The Planning Commission's major funds are limited the general fund, which is used for all operations.

# **RAPIDES AREA PLANNING COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2014**

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### **Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<b><u>Financial Statement Presentation</u></b>	<b><u>Basis of Accounting</u></b>	<b><u>Measurement Focus</u></b>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of account and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measure focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure of funds. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as other financing sources and repayment of long-term debt is reported as an expenditure of funds.

### **Use of Estimates**

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Budget Practices**

The Planning Commission adopts a budget for each fiscal year as prescribed by State Law. Budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles.

### **Capital Assets**

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciated is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. A useful life of five to ten years is typically used.

# **RAPIDES AREA PLANNING COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2014**

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### **Cash**

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk is managed by requiring fiscal agents to provide security for any deposits that exceed FDIC limits. Furthermore, interest rate risk is managed by limiting the duration of deposit arrangements.

### **Compensated Absences**

Permanent employees are eligible to receive paid vacation. Based on seniority, full time employees earn between 8 and 14 hours of vacation each month. In addition, employees are allowed to accumulate up to 160 hours of vested vacation benefits.

### **Indirect Expense Allocations**

Under the terms of various grant arrangements, the Planning Commission is eligible to receive reimbursement for direct labor and indirect costs that are based on a predetermined percentage of direct labor. Reimbursements earned as a result of applying the predetermined indirect costs rate are presented as indirect expense allocations in the accompanying Statement of Activities.

### **NOTE 2 - CASH**

Deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At June 30, 2014, the Rapides Area Planning Commission has \$408,253 in deposits (collected bank balance) and these deposits are secured by FDIC coverage and pledged securities with a market value of \$197,438.

### **NOTE 3 - RECEIVABLES**

At June 30, 2014, consisted entirely of amounts due from governmental sources, which are described as follows:

Louisiana Department of Transportation and Development	\$ 146,119
Governor's Office of Homeland Security and Emergency	
Preparedness	30,000
Total Receivables	176,119
Allowance for Uncollectible Balances	(30,000)
Receivables Net	<u>\$ 146,119</u>

### **NOTE 4 – CAPITAL ASSETS**

A summary of the Planning Commission's capital assets is provided as follows:

# **RAPIDES AREA PLANNING COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2014**

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	Beginning Balance	Additions	Disposals	Ending Balance
<u>Capital Assets Being Depreciated:</u>				
Furniture, Fixtures and Equipment	\$ 214,589	\$ ----	\$ ----	\$ 214,589
Less Accumulated Depreciation	209,282	4,327	----	213,609
Total Net of Depreciation	\$ 5,307	\$ (4,327)	\$ ----	\$ 980

### **NOTE 5 – PAYABLES**

At June 30, 2014, accounts payable are limited to amounts due to vendors in the ordinary course of business.

### **NOTE 6 – ACCRUED LEAVE**

Long-term liabilities are limited to accrued leave earned by employees. Resources provided by the general fund are used to liquidate the accrued leave balances. Accrued leave balances and activity are presented as follows:

Beginning Balance	\$ 35,013
Net Increase (Decrease)	<u>(3,132)</u>
Ending Balance	<u>\$ 38,145</u>

### **NOTE 7 – GRANT COMPLIANCE CONTINGENCIES**

The Planning Commission receives state and federal assistance through various grant programs. In addition, the Planning Commission provides project management services to programs that are supported by grant funds. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

### **NOTE 8 - RISK MANAGEMENT**

The Planning Commission is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Planning Commission insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

### **NOTE 9 - BOARD MEMBER COMPENSATION**

The Board of Commissioners is composed of volunteers that serve without compensation.

# **RAPIDES AREA PLANNING COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2014**

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### **NOTE 10 – RETIREMENT PLAN**

Employees are eligible to participate in a defined contribution retirement plan. Under the terms of the plan, employees are allowed to contribute a portion of their compensation to the plan. In addition, the Planning Commission provides an employer match of up to 3% of the employee's compensation. Contributions for the year ended June 30, 2014 are summarized as follows:

Employee Contributions	\$ 35,434
Employer Match	<u>19,188</u>
Total Contributions	<u>\$ 54,622</u>

### **NOTE 11 – OPERATING LEASE**

The Planning Commission occupies a rented facility under the terms of a lease executed September 24, 2007. The lease requires annual rent in an amount subject to adjustments based on the Consumer Price Index. For the year ended June 30, 2014, rent expense amounted to \$45,727.

The lease agreement expired on September 30, 2013. Since the lease expired, the Planning District has occupied the property on a month to month basis.

# **Rapides Area Planning Commission**

## **Statement of Revenue, Expenditures and Changes in Fund Balance - Budget vs Actual**

### **General Fund**

**For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>				
Intergovernmental				
Dues	\$ 49,155	\$ 50,044	\$ 49,403	\$ (641)
Fees and Charges for Services				
Building Code Enforcement	1,034,000	1,143,347	1,151,731	8,384
Metropolitan Planning	138,611	141,644	141,644	-
Transit Planning	43,720	43,720	36,164	(7,556)
Travel Demand Management	100,000	37,400	36,552	(848)
Beltway Study	125,000	78,800	61,036	(17,764)
Hazard Mitigation	110,000	175,727	-	(175,727)
Other Development Fees	5,350	6,450	10,592	4,142
Other	12,000	12,466	3,437	(9,029)
Total revenues	<u>1,617,836</u>	<u>1,689,598</u>	<u>1,490,559</u>	<u>(199,039)</u>
<b><u>Expenditures:</u></b>				
Current				
<u>Public Safety</u>				
Salaries	743,498	771,560	784,513	(12,953)
Payroll Taxes and Benefits	204,350	230,931	246,048	(15,117)
Lease Expense	47,500	49,026	49,131	(105)
General Insurance	18,000	27,484	27,484	-
Utilities and Communications	45,200	30,525	30,763	(238)
Office Supplies and Equipment	46,800	44,173	46,991	(2,818)
Software	57,500	57,000	73,007	(16,007)
Travel	86,000	83,377	87,032	(3,655)
Repairs and Maintenance	68,500	49,998	51,585	(1,587)
Other	104,045	122,610	156,642	(34,032)
Capital Expenditures	-	-	-	-
Total expenditures	<u>1,421,393</u>	<u>1,466,684</u>	<u>1,553,196</u>	<u>(86,512)</u>
Net Change in Fund Balances	196,443	222,914	(62,637)	(285,551)
Fund balance - Beginning of Year	<u>534,464</u>	<u>534,464</u>	<u>534,464</u>	<u>-</u>
Fund balance - End of Year	<u>\$ 730,907</u>	<u>\$ 757,378</u>	<u>\$ 471,827</u>	<u>\$ (285,551)</u>

# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

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**M. DALE HARRINGTON, CPA**  
**RETIRED - 2005**

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December 2, 2014

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**  
**AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF**  
**FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH**  
**GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Rapides Area Planning Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Rapides Area Planning Commission's basic financial statements, and have issued our report thereon dated December 2, 2014.

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered Rapides Area Planning Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rapides Area Planning Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Rapides Area Planning Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Rapides Area Planning Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 2013-1.

### **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

# **RAPIDES AREA PLANNING COMMISSION**

## **SCHEDULE OF FINDINGS AND QUESTIONED COST**

**For the Year Ended June 30, 2014**

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### **PART I - SUMMARY OF AUDITOR'S RESULTS:**

- The Independent Auditors' Report on the basic financial statements of the Rapides Area Planning Commission as of June 30, 2014 and for the year then ended expressed an unqualified opinion.
- The audit did not disclose any audit findings which are considered to be significant deficiencies in internal control or material weaknesses.
- The results of the audit disclosed an instance of noncompliance required to be reported in the Schedule of Findings and Questioned Cost.

### **PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:**

#### **2014-1: BUDGETING**

Unfavorable budget variances exceeded limits allowed by Louisiana Law due to revenue not meeting expectations.

# **RAPIDES AREA PLANNING COMMISSION**

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

***For the Year Ended June 30, 2014***

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<b><u>SECTION I</u></b> <b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</b>	
<b><u>2014-1: BUDGETING</u></b> Unfavorable budget variances exceeded limits allowed by Louisiana Law due to revenue not meeting expectations.	<b><u>2013-1: MANAGEMENT'S RESPONSE</u></b> In the future, a more conservative estimating process will be adopted to prevent further unfavorable results.
<b><u>SECTION II</u></b> <b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<b><u>SECTION III</u></b> <b>MANAGEMENT LETTER</b>	
No management letter was issued.	Response – N/A

# **RAPIDES AREA PLANNING COMMISSION**

## ***SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2014***

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<b><u>SECTION I</u></b> <b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</b>	
<b><u>2013-1: BUDGETS</u></b> Unfavorable budget variances exceeded limits allowed by Louisiana Law due to unexpected problems collecting reimbursements due under a grant arrangement.	<b><u>UNRESOLVED</u></b> Based on the findings presented as 2014-1, the Rapides Area Planning Commission has continued to experience unfavorable budget variances.
<b><u>SECTION II</u></b> <b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
No findings of this nature were reported	Response – N/A
<b><u>SECTION III</u></b> <b>MANAGEMENT LETTER</b>	
No findings of this nature were reported	Response – N/A